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English only

Fifty-seventh session
Agenda item 52
Strengthening of the United Nations system

Strengthening of the United Nations: an agenda for further change

Responses to issues raised and supplementary information

Aligning resources with priorities

1. This conference room paper is intended to provide responses to and supplementary information on the major issues raised by various individual Member States and groups of Member States on the report of the Secretary-General on "Strengthening of the United Nations: an agenda for further change" (A/57/387 and Corr.1). The paper covers issues related to aligning resources with priorities (actions 21-23), to be considered at the open-ended informal consultations of the General Assembly scheduled for Thursday, 14 November 2002.

Action 21

Medium-term plan

2. Under the current four-year medium-term plan, relevant chapters of the plan are revised every two years to incorporate required programme changes resulting from mandate changes. The revisions are considered by the Committee for Programme and Coordination and the Fifth Committee one year before the submission of the proposed programme budget covering the last two years of the plan. In reviewing the revisions to the medium-term plan, the Committee for Programme and Coordination and the Fifth Committee presently need two separate documents: the medium-term plan it had approved two years previously and the revisions containing changes thereto, presented in separate documents according to programme. The process is inherently cumbersome and, being piecemeal, lacks comprehensiveness. To allow for an easier and more coherent review by both the Committee for Programme and Coordination and the Fifth Committee of the translation of legislative mandates into programmes, a medium-term plan covering two years is being proposed.

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3. A two-year medium-term plan will better reflect the most recent decisions taken and the latest priority directives of intergovernmental bodies. A two-year medium-term plan covering the same period as the biennial budget and being considered simultaneously with the budget outline will further facilitate the intergovernmental review of both the budget outline and the proposed programme budget.

4. The current medium-term plan reflects programme objectives derived from legislative mandates and expected accomplishments proposed by the Secretariat for implementation any time within a four-year period. Present arrangements reflecting differing time horizons lead to some ambiguity as to the responsibility of programme managers for achieving expected accomplishments within a given period. It is anticipated that a two-year planning period will provide a better focus for accountability as to expected accomplishments. While long-term objectives, in fulfilment of legislative mandates, would continue to be reflected under the "objectives" heading of each subprogramme, the expected accomplishments would be strictly limited to the two-year plan period. The shorter plan period would thus ensure that the mandates reflected would be up-to-date. A two-year medium-term plan would reduce the time between the initial preparation of the plan to the end of the plan period by two years.

Budget outline

5. A shorter medium-term plan would be combined with the proposed programme budget outline. There would thus be one consolidated document on both programmes and resources. Decisions on programmes and preliminary estimates of resources could be taken in parallel, as they would be considered at the same time. This is particularly important from the perspective of ensuring full coherence as to the determination of priorities of a programmatic nature and those related to resource allocation. Currently, the United Nations operates two separate arrangements for the determination of priorities. By regulation 3.2, paragraph 1 (b), of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8), the Secretary-General is required to submit resource allocation priorities "reflecting general trends of a broad sectoral nature" in the context of the proposed budget outline every two years. By regulation 4.6 (c), the Secretary-General is also required to submit proposals on programme priorities in the context of the medium-term plan every four years. Thus, the General Assembly, through the Committee for Programme and Coordination, receives two separate priority recommendations from the Secretary-General. Given that a rational resource allocation system requires that resource priorities reflect programme priorities, it would improve the coherence of the system if priority recommendations were presented in the same physical document. This would facilitate the discussion of priorities in the Committee for Programme and Coordination and the Fifth Committee and would help to ensure that resource allocation decisions better reflected programme priority needs. Priorities would continue to be specified at the same level of programmes and parts of the programme budget as are used in the current medium-term plan and programme budget outline.

Programme budget

6. The programme budget for the biennium 2002-2003 is the first one formulated fully in accordance with the results-based format, namely, the articulation, prior to implementation, of the programme of objectives, expected accomplishments, indicators of achievement and external factors, in addition to the listing of outputs and resource requirements. It was prepared in January 2001, immediately after the adoption of General Assembly resolution 55/231 of 23 December 2000 on results-based budgeting. In that resolution, the Assembly decided that the measures approved in the resolution should be implemented in a gradual and incremental manner, in full compliance with the Regulations and Rules Governing Programme Planning and the Financial Regulations and Rules of the United Nations.

7. In line with the decision of the General Assembly to implement those measures gradually, the proposed programme budget for the biennium 2004-2005 will immediately introduce a number of new elements, namely: (a) the identification of baseline and target data for measuring indicators of achievement; (b) the expansion of the results-based framework to the executive direction and management component of all programmes; and (c) the application of criteria in the budget formulation process to ensure that the outputs that are included are focused on and necessary for the achievement of expected accomplishments.

8. The 2004-2005 proposed programme budget to be presented to the General Assembly for review by the Fifth Committee will be shorter, as the individual section fascicles will be focused on the programmatic material and aggregated resource data, which constitutes the core material for each section. The annex to each section covering "indicative resource requirements", which provides technical details, would be made available separately to the Advisory Committee on Administrative and Budgetary Questions to support their technical review of the estimates. The Fifth Committee would thus receive the full benefit of the Advisory Committee's scrutiny of the detailed level of resource requirements without losing sight of the policy issues highlighted in the results-oriented programme budget fascicles. The overall level of information provided in total for the justification of the programme budget will not change, but the intergovernmental review should become better focused through the channelling of relevant information according to the responsibility of each body concerned. In essence, the Fifth Committee would focus more on overall strategic issues rather than on technical details.

9. The foreword and introduction to the budget, including the annexes containing overview tables, would continue to be produced as a key component of the programme budget proposals for review by the Fifth Committee. The content of the foreword and introduction would be the subject of further examination in 2003, with a view to reflecting any improvements identified in the budget document for the biennium 2006-2007.

10. The presentation of objectives, expected accomplishments, indicators of achievement and outputs, as well as inputs/resources, in a consistent and clear logical framework will serve as an important tool for verifying the individual components and their relation to each other. This will improve the ability of Member States and programme managers to monitor the implementation and determine the effectiveness and ongoing relevance of activities by strengthening the link between desired results and resources. It will permit legislative bodies to focus more fully on

the programmatic review of the Organization and endorse or provide a clear policy direction.

Timing of the proposed strategic budget cycle

11. In line with the actions proposed, the next medium-term plan would be for a two-year period, namely, for the period 2006-2007, and would be combined with the proposed programme budget outline for the biennium 2006-2007. The proposed medium-term plan for this period would be submitted to the intergovernmental bodies overseeing the programmes in 2004. Decisions taken in 2004 on both the medium-term plan and the budget outline would be the basis for the preparation of the proposed programme budget for the biennium 2006-2007, which would be submitted for intergovernmental review in 2005.

Flexibility to reallocate resources

12. By action 21 (d), flexibility would be given to the Secretary-General to reallocate resources between programmes and between allocations for personnel and other allocations by up to 10 per cent within a single budget period.

13. Currently, in the resolution approving the appropriations for a given biennium, the General Assembly authorizes the Secretary-General to transfer credits between sections of the budget with the concurrence of the Advisory Committee on Administrative and Budgetary Questions. The proposal contained in action 21 (d) would permit the Secretary-General to transfer resources, including posts, between sections of the budget under his own authority as Chief Administrative Officer up to a limit of 10 per cent within a particular section of the budget. This flexibility would enable the Secretary-General to respond to unexpected changes in a prompt and efficient manner and would be exercised in exceptional circumstances. The Secretary-General would be accountable to the Assembly to report on the exercise of the flexibility authority on an annual basis through the first and second performance reports. The reporting mechanism in this case would be comparable to that presently followed in respect of the utilization of authorities granted under the unforeseen and extraordinary expenses resolution.

Evaluation and monitoring

14. The weakness of the current system is defined in detail in paragraphs 155 to 165 of the report of the Secretary-General.

15. The evaluation and monitoring system would be strengthened through the reorientation of evaluation and monitoring responsibilities to focus on results by tracking and evaluating accomplishments so as to help Member States determine whether overall programme objectives are being met. This would shift the emphasis from simply counting outputs to assessing, with the use of indicators of achievement, to what extent expected accomplishments have been realized. Quantitative and qualitative data will be integrated to form a complete analysis of the results achieved. This approach will involve the use of more rigorous self-evaluation by programme managers. Given that the 2002-2003 programme budget is already in the results-based format, this could be implemented in 2004 when the programme performance report for the biennium 2002-2003 is submitted to the Assembly.

Action 22

16. This action aims at streamlining the present duplicative process by allowing a single-stage intergovernmental review of the programme budget and the medium-term plan in conjunction with the budget outline. In this review process, the Fifth Committee would continue to receive the report of the Advisory Committee on Administrative and Budgetary Questions as is currently the case. It would undertake the examination of the programmatic aspects of all budget-related documents, including the medium-term plan, the initial budget proposals and subsequent revised estimates and statements of programme budget implications. This would facilitate an integrated approach to programmatic and financial decision-taking.

17. The Fifth Committee could also perform other responsibilities of the Committee for Programme and Coordination. Alternatively, the Committee for Programme and Coordination could continue to fulfil, as appropriate, its ongoing responsibility under the Regulations and Rules Governing Programme Planning with regard to relevant components of the review of the efficiency of the administrative and financial functioning of the United Nations, all evaluation and programme monitoring matters, all coordination questions, as well as reports of the Joint Inspection Unit. This would allow the Committee to focus better on lessons learned in programme implementation, particularly as reflected in in-depth evaluation reports and programme performance reports. It would also reinforce the proposal contained in action 21 (e) regarding better measurement of the impact of the work of the Organization.

18. It is envisaged that the Committee for Programme and Coordination would still meet in mid-year for a shortened session. Its reports on the matters mentioned above would continue to be submitted to its parent bodies, namely, the Economic and Social Council and the General Assembly. Membership and participation arrangements would continue as at present, allowing the Committee to continue to be composed of members nominated by Members States for their expertise.

Action 23

19. Starting with the financial period 1 July 2003 to 30 June 2004, peacekeeping budgets will be submitted in a results-based format that includes an overall objective derived from the missions' respective mandates, as well as expected accomplishments, indicators of achievement and planned outputs for all substantive components. Resource data will be more aggregated, with concentration on the elements of the results-based budget framework, and resource data will be linked to the expected accomplishments where possible. Budget documents will meet the established limit of 16 pages.

20. Peacekeeping missions will report on the achievement of expected accomplishments and planned outputs through the budget performance reports. Justifications of significant variances in resource levels will include, where possible, references to the missions' results.

21. The new format will also meet the criteria set out in resolution 55/220 C of 14 June 2001, in which the General Assembly requested the Secretary-General to ensure the use of objective-setting by the administrations of peacekeeping missions and also to ensure that the development and attainment of such objectives are reported to the Assembly through the financial performance reports of the missions.